LAW OFFICE

ALLAN J. THOMPSON

21 "C" Orinda Way, #314
Orinda, CA 94563
(925) 258-9962
FAX (925) 258-9963

January 29, 2002

CALIFORNIA ENERGY COMMISSION
Docket Unit, MS-4
1516 Ninth Street
Sacramento, CA 95814-5512

Re: Docket No. 01-AFC-14

Dear Sir/Madame:

Enclosed for filing with the California Energy Commission are an original and 12 (twelve) copies of the attached correspondence regarding **Preliminary Application for Service System Impact Study.**

Sincerely,

Allan J. Thompson
One of Counsel
Roseville Energy Facility, L.L.C.

AJT:dmg
Enclosures
Cc: Service List

Pacific Gas and Electric Company

77 Beale Street
San Francisco, CA 94105

Mailing Address
Mail Code B16A
P.O. Box 770000
San Francisco, CA 94177
415/973-7000

Via Mail and Fax

January 9, 2002

Mr. Mark Fillinger
Roseville Energy Facility, L.L.C.
101 California Street, Suite 1950
San Francisco, CA 94111

Subject: Preliminary Application for Service System Impact Study – Roseville Energy Facility

Dear Mr. Fillinger:

On October 22, 2001, Roseville Energy Facility, L.L.C. (Applicant) requested Pacific Gas & Electric Company (PG&E) to include the following three scenario's in its System Impact Study (SIS) for gas service to Applicant's proposed Roseville Energy Facility (Facility) to be located near the Pleasant Grove Wastewater Treatment Facility in Roseville, California:

1. A route to Line 172 assuming a portion of this line is permitted and built for the Rio Linda/Elverta project.
2. A route to Line 172 assuming the Rio Linda/Elverta project is not built.
3. A route to Line 123.

Per Applicant's May 10, 2001 Cogeneration/Power Plant Interconnection Information Sheet, the FACILITY will require service for 1200-6800 MMBtu/h (118 MM cubic feet per day) during the winter season, and 1200-6500 MMBtu/h (114 MM cubic feet per day) during the summer season, and that gas service is to be available by June 2004. Changes to Applicants proposed hourly and/or daily volumetric needs, or to the demand on PG&E's system, could result in modifications to any comments PG&E makes herein. The following service pressures are based upon computer models, which contain various assumptions and uncertainties, and therefore represent our best estimate of expected pressures.

Prior to providing you with the details of this connection, PG&E would like to make you aware that connections similar to yours for permanent gas transmission-level service to PG&E's gas transmission system are being done under PG&E's "Agreement For The Allocation And Recovery Of Costs Associated With Proposed Transmission-Level Interconnection Of Electric

Generating Facilities", or other similarly negotiated agreement (Agreement). Upon Applicant's review and concurrence, this Agreement is submitted by PG&E to the CPUC under PG&E's Rule 15, Section H.3., Exceptional Cases provision. Because of the significant anticipated reinforcement costs to connect this Facility, PG&E would like to provide you the requested information and associated costs, and discuss this with you prior to proceeding further with this project.

PG&E has completed the SIS and now provides results on three alternatives in order of our preference. This order is based on our expected estimated cost to construct, the impact on the level of service available to surrounding non-core customers, and the expected impact on the cost of serving future load growth in the area.

1. **A route from Line 172 assuming a portion of the line is permitted and built for the Rio Linda/Elverta (FPLE) project;**

Standard Facilities Design:

To serve the proposed plant with a Standard Facilities Design at prevailing gas delivery pressure PG&E would likely:

- Install approximately 10.5 miles of 16-inch steel pipe from Line 400 to Line 172 near the city of Zamora;
- Install a pressure limiting station;
- Increase the pipeline service from Line 172 to the proposed Florida Power and Light Energy's (FPLE) Rio Linda power plant from 20-inch to 24-inch diameter;
- Install approximately 10.5 miles of 16-inch steel pipe from the FPLE gas pipeline to the proposed Facility; and
- Install a new 24-inch ultrasonic meter.

PG&E estimates the Standard Facilities Design will be able to provide unregulated service to the plant (floating at prevailing transmission pressure) at a minimum delivery service pressure of 100 psig.

Special Facilities Design at Elevated Service Delivery Pressure:

To serve the proposed plant with a Special Facilities Design at elevated gas delivery pressure PG&E would likely:

- Install approximately 10.5 miles of 16-inch steel pipe from Line 400 to Line 172 near the city of Zamora;

- Install a pressure limiting station;
- Increase the pipeline service from Line 172 to the proposed Florida Power and Light Energy's (FPLE) Rio Linda power plant from 20-inch to 24-inch diameter;
- Install approximately 10.5 miles of 20-inch steel pipe from the FPLE gas pipeline to the proposed Facility; and
- Install a new 16-inch ultrasonic meter.

Service at a minimum delivery pressure of 300 psig would be available under the Special Facilities Design alternative.

2. A route to Line 172 assuming the Rio Linda/Elverta project is not built;

Standard Facilities Design:

To serve the proposed Facility with a Standard Facilities Design at prevailing gas delivery pressure PG&E would likely:

- Install approximately 4.5 miles of 20-inch diameter steel pipe from Line 400 parallel to Line 302W;
- Install approximately 20 miles of 20-inch diameter steel pipe from Line 172 to Rio Linda;
- Install approximately 11 miles of 16-inch diameter steel pipe from the Rio Linda to the proposed Facility; and
- Install a new 24-inch ultrasonic meter.

Special Facilities Design at Elevated Service Delivery Pressure:

To serve the proposed Facility with a Special Facilities Design at elevated gas delivery pressure PG&E would likely:

- Install approximately 4.5 miles of 20-inch diameter steel pipe from Line 400 parallel to Line 302W;
- Install approximately 20 miles of 20-inch diameter steel pipe from Line 172 to Rio Linda;
- Install approximately 11 miles of 20-inch diameter steel pipe from the Rio Linda to the proposed Facility; and
- Install a new 24-inch ultrasonic meter.

Service at a minimum delivery pressure of 300 psig would be available under the Special Facilities Design alternative.

3. A route to Line 123.

Standard Facilities Design:

To serve the proposed Facility with a Standard Facilities Design at prevailing gas delivery pressure it would be necessary for PG&E to:

- Install approximately 20 miles of 24-inch diameter steel pipe from Line 400 to Line 172 at PG&E's Swingle Junction Station east of Davis;
- Install a pressure limiting station;
- Install approximately 0.5 miles of 20-inch diameter steel pipe parallel to PG&E Line 119W in West Sacramento;
- Install approximately 4.75 miles of 20-inch diameter steel pipe parallel to PG&E Line 119E North Sacramento and North Highlands;
- Install approximately 10.5 miles of 20-inch diameter steel parallel to Line 123 in Roseville, Antelope and Lincoln;
- Install approximately 5 miles of 20-inch diameter steel pipe extension from the Line 123 to the Facility; and
- Install a new 20-inch ultrasonic meter.

PG&E estimates The Standard Facilities Design will be able to provide unregulated service to the plant (floating at prevailing transmission pressure) at a minimum delivery service pressure of 150 psig.

Service at a delivery pressure greater than 150 psig would not be available.

Special Facilities alternatives are subject to the conditions as outlined under PG&E's Gas Rule 2.

Next Steps:

PG&E now provides Applicant with requirements necessary in order for PG&E to proceed with this project. Applicant should submit to PG&E a request for completion of the Preliminary Application for Service, by requesting a Preliminary Facilities Design, which would include the following:

- A request to complete the Prelimary Application for Gas Service by completing a Preliminary Facilities Study;
- An updated Cogen/Power Plant Interconnection Information Sheet, or confirmation that the previous information provided is still correct;
- Identification of which service alternative Applicant requests to study further, (Alternative and Standard or Special Facilities Design);

- A site map of the proposed meterset location;
- The estimated annual gas usage of the proposed Facility.

Approximately $24,000 of the current cash advance is available for use to fund the Preliminary Facilities Study and provide Applicant with the results of PG&E's evaluation of its Preliminary Application for Service. PG&E will proceed with due diligence in responding to Applicant's Preliminary Application for Service in a timely manner. However, should insufficient funds remain to complete the Preliminary Facility Study, PG&E will suspend work until additional funds are received from Applicant.

If you have any questions about this information, please call me at 415-973-2908 or Mike O'Brien at 415-973-5652.

Sincerely,

Rodney A. Boschee
Manager, Contract Development and Management

Cc: Michael O'Brien
Rick Brown
Todd Hogenson
Darin Jones
George Karkazis
Gary Grelli
Michael O'Donnell